

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: March 16, 2007

Time of Meeting: 8:15 a.m.

Place of Meeting: Public Utilities Boardroom
3901 Orange Street (at Ninth & Orange Streets)
Riverside, California

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present:	Jim Anderson (Chair)	Joe Tavaglione (Vice Chair)
	Mary Curtin	Dave Barnhart
	Bob Stockton	Ken Sutter
	Robert Elliott	Bernie Titus

Absent: Ken Sutter (absence due to vacation).

Assistant City Manager Michael Beck was in attendance.

- INTRODUCTION OF NEW BOARD MEMBER
This item was deferred to a future Board meeting.

Chairman Anderson requested that the following be rearranged on the Agenda as to when they would be presented:

TO BE PRESENTED AT THE END OF THE AGENDA:

- ELECTION OF PUBLIC UTILITIES BOARD OFFICERS
- DISCUSS COMMITTEE ASSIGNMENTS FOR FUTURE BOARD OF PUBLIC UTILITIES COMMITTEES
- PUBLIC UTILITIES BOARD COMMITTEE ASSIGNMENTS

TO BE PRESENTED BEFORE THE CONSENT CALENDAR

ITEM 17 - AGREEMENT RELATING TO THE DIVERSION OF WATER FROM THE SANTA ANA RIVER SYSTEM BETWEEN WESTERN MUNICIPAL WATER DISTRICT, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND CITY OF RIVERSIDE

MINUTES

1. The minutes from the Board of Public Utilities meeting on February 16, 2007 was approved as submitted.

Motion – Curtin Second – Tavaglione.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

CITIZENS PARTICIPATION

2. None.

COMMITTEE REPORTS

3. ELECTRIC COMMITTEE REPORT

The Board of Public Utilities accepted and filed the February 14, 2007, Electric Committee minutes.

DISCUSSION CALENDAR – Part I

17. AGREEMENT RELATING TO THE DIVERSION OF WATER FROM THE SANTA ANA RIVER SYSTEM BETWEEN WESTERN MUNICIPAL WATER DISTRICT, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND CITY OF RIVERSIDE

A PowerPoint presentation was made by Principal Water Engineer Max Rasouli and Assistant Director/Water Kevin Milligan.

Tom Evans, Western Municipal Water District (WMWD) Board Member, spoke to the Board regarding the importance of approving this agreement and that WMWD's Board had approved it on Wednesday, March 14, 2007.

Chairman Anderson stated that the Board should have had more time to review this agreement with a possible workshop on it before approval so that they could have had the opportunity to make any revisions.

Following discussion, the Board of Public Utilities approved and recommended that the City Council approve the proposed Agreement.

Motion – Barnhart. Second – Elliott.

Ayes: Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: Anderson.

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 10, **REIMBURSEMENT AGREEMENT FOR WATER MAIN EXTENSION, CENTER STREET WATER MAIN EXTENSION**, and Item 12, **TRANSFER OF PROPERTY – PORTION OF RIVERSIDE WATER COMPANY CANAL FROM PUBLIC UTILITIES TO PUBLIC WORKS DEPARTMENT TO FACILITATE STREET IMPROVEMENTS CONNECTED TO THE COLUMBIA AVENUE GRADE SEPARATION PROJECT**, which were moved to the Discussion Calendar.

Motion – Tavaglione. Second – Curtin.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

ELECTRIC ITEMS

4. UNDERGROUND ELECTRIC LINE EXTENSION – BAY STREET BUSINESS PARK
WORK ORDER 060113-106

The Board of Public Utilities approved the estimated capital expenditure of \$250,000 to install an underground electric line extension to serve the Bay Street Commercial Business Park located at Bay Street, westerly of Old 215 Road.

5. OVERHEAD AND UNDERGROUND ELECTRIC LINE RELOCATION– TRACT 30337
WORK ORDER NO. 070003-59

The Board of Public Utilities approved the estimated capital expenditure of \$65,000 to relocate overhead and underground electric facilities to clear the way for street improvements related to the development of Tract 30337 at McAllister Street, southerly of Dufferin Avenue.

6. OVERHEAD 12 kV LINE REMOVAL FOR TRACT 31927
WORK ORDER 070004-14

The Board of Public Utilities approved the estimated capital expenditure of \$150,000 to remove the overhead 12 kV line in conflict with the development of Tract 31927 located easterly of Knoefler Drive, between Ambs Drive and Buchanan Street.

7. UNDERGROUND ELECTRIC LINE EXTENSION – TRACT 31866
WORK ORDER 070016-3

The Board of Public Utilities approved the estimated capital expenditure of \$60,000 to install an underground electric line extension to serve eight residences located at Regent Place and Victoria Avenue.

8. CONSTRUCT A RADIO SITE FOR THE BACKUP CONTROL CENTER
WORK ORDER NO. 0707095

The Board of Public Utilities approved the estimated capital expenditure of \$250,000 to construct a radio site for the back up control center at the Riverside Energy Resource Center.

9. INCREASE ANNUAL PURCHASE ORDERS FOR ELECTRIC METERING

The Board of Public Utilities:

1. Approved the increase of Purchase Order No. 071089 in the amount of \$20,000.00, for a total of \$43,000.00, for Current Transformers furnished by HD Supply Utilities 9837 Pioneer Blvd., Santa Fe Springs, CA 90670;
2. Approved the increase of Purchase Order No. 071004 in the amount of \$200,000.00, for a total of \$263,000.00, for Demand and Time of Use Meters furnished by HD Supply Utilities 9837 Pioneer Blvd., Santa Fe Springs, CA 90670; and
3. Approved the increase of Purchase Order No. 071455 in the amount of \$80,000.00, for a total of \$156,000.00, for Residential (RF) Electric Meters furnished by McAvoy & Markham 16 Technology Dr., Ste. 113 Irvine, CA 92718.

WATER ITEMS

10. MOVED TO DISCUSSION CALENDAR

11. REPAIR CONTRACT WITH JOHNSON MACHINERY CO., A CALIFORNIA CORPORATION, DBA JOHNSON POWER SYSTEMS, TO REBUILD LINDEN BOOSTER GAS ENGINES NO. 3 AND NO. 4

The Board of Public Utilities approved a repair contract to rebuild Linden Booster Gas Engines No. 3 and No. 4 with Johnson Machinery Co., a California Corporation, dba Johnson Power Systems, ("Johnson"), of Riverside, California,, in an amount not to exceed \$180,998.00.

OTHER ITEMS

12. MOVED TO DISCUSSION CALENDAR

13. RENEWABLE ENERGY CERTIFICATE CONFIRMATION AGREEMENT BETWEEN CITY OF RIVERSIDE AND BONNEVILLE POWER ADMINISTRATION (BPA)

The Board of Public Utilities approved and recommended that the City Council:

1. Approve the proposed Renewable Energy Certificate Confirmation Agreement between the City of Riverside and the Bonneville Power Administration; and
2. Authorize the City Manager, or his designee, to execute the Renewable Energy Certificate Confirmation Agreement for March 2007 and any future Renewable Energy Certificate Confirmation Agreements, in amounts not to exceed \$50,000 per monthly Confirmation Agreement based on budgeted funds.

14. ANNUAL RETAIL ELECTRIC PROVIDERS' REPORT TO THE CALIFORNIA ENERGY COMMISSION (CEC), POWER CONTENT LABEL, AND ATTESTATION

The Board of Public Utilities approved and recommended that the City Council:

1. Approve the Annual Retail Electric Providers Report;
2. Approve the attestation as to the accuracy of the Annual Retail Electric Providers Report;
3. Approve the annual Power Content Label; and
4. Authorize the Public Utilities General Manager, or his designee, to execute and submit the attestation.

DISCUSSION CALENDAR – Part II

10. REIMBURSEMENT AGREEMENT FOR WATER MAIN EXTENSION, CENTER STREET WATER MAIN EXTENSION

Board Member Dave Barnhart requested this item to be placed on the Discussion Calendar for more clarity.

Following discussion, the Board of Public Utilities approved and recommended that the City Council:

1. Approve the terms for the Main Reimbursement Agreement for Water Main Extension, Center Street Water Main Extension – D5-704261 (Agreement); and
2. Authorize the City Manager, or his designee, to execute the Agreement

Motion – Barnhart. Second – Curtin.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

12. TRANSFER OF PROPERTY – PORTION OF RIVERSIDE WATER COMPANY CANAL FROM PUBLIC UTILITIES TO PUBLIC WORKS DEPARTMENT TO FACILITATE STREET IMPROVEMENTS CONNECTED TO THE COLUMBIA AVENUE GRADE SEPARATION PROJECT

Board Member Jim Anderson requested this item be placed on the Discussion Calendar because he wanted to be sure RPU was protected if PW's construction of the road causes the canal to backup. Assistant Director/Water Kevin Milligan answered his question and gave more details on the project.

Following discussion, the Board of Public Utilities approved and recommended City Council approval for the transfer of two portions of the Canal, bearing Assessor Parcel Number 210-043-043 and 210-030-004, in connection with the Columbia Avenue Grade Separation Project ("Project"), a Public Works project, with the Public Utilities Department

retaining an easement for the operation of the canal.

Motion – Anderson. Second – Elliott.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

15. EMERGENCY REPLACEMENT OF 12" WATER MAIN, ON CENTER STREET AT THE UNION PACIFIC RAILROAD CROSSING, HIGHGROVE

Following discussion, the Board of Public Utilities authorized the expenditure, already approved as an emergency by the Public Utilities General Manager and City Manager, of up to \$75,000 to replace a portion of the pipeline and reimburse costs incurred by the Union Pacific Railway, for the removal and restoration of their facilities to the affected area.

Motion – Curtin. Second – Titus.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

16. AMENDMENT NO. 3 TO THE INTERIM AGREEMENT FOR REMOVAL OF PERCHLORATE AND AMENDMENT NO. 1 TO THE AGREEMENT FOR REMOVAL AND TREATMENT OF TRICHLOROETHYLENE WITH LOCKHEED MARTIN CORPORATION

Following discussion, the Board of Public Utilities approved and recommended that the City Council:

1. Approve Amendment No. 3 to the "October 29, 2002 Interim Agreement for the Removal of Perchlorate from Water Extracted from Four City of Riverside Wells"; and
2. Approve Amendment No. 1 to the "November 10, 1998 Agreement for the Removal and Treatment of Trichloroethylene from Water Extracted by City of Riverside Wells".

Motion – Tavaglione. Second – Curtin.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

17. MOVED TO BEGINNING OF AGENDA - DISCUSSION CALENDAR – Part I

18. REVISION OF RENEWABLES PORTFOLIO STANDARD ("RENEWABLES STANDARD")

Following discussion, the Board of Public Utilities approved and recommended City Council approval of the revised Renewables Standard.

Motion – Curtin. Second – Elliott.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

19. LA COLINA SUBSTATION EXPANSION REVISED AND BLOCK WALL ADDITION –
AWARD OF BID NO. 6463
WORK ORDER 608593

Following discussion, the Board of Public Utilities:

1. Approved the revised estimated capital expenditure of \$545,000 for Work Order 0608593, which includes the design, purchases, project management construction, construction management, inspection, and project contingencies for the La Colina Substation Expansion project and;
2. Awarded a contract for the construction of the La Colina Block Wall Addition Bid. No. 6463 to the lowest responsive bidder, Noeticorp, in the amount of \$333,425.

Motion – Titus. Second – Elliott.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

20. ORANGECREST TRANSFORMER ADDITION AND PROCUREMENT OF SUBSTATION
EQUIPMENT
WORK ORDER NO. 0706890

Following discussion, the Board of Public Utilities:

1. Approved the estimated capital expenditure of \$5,300,000 for Work Order No. 0706890 that includes project management, design, equipment purchases, contract administration, construction, construction management, and contingencies for the Orangecrest Substation Transformer Addition; and
2. Approved the following procurements, in not to exceed amounts as specified: one 69kv power transformer from Delta Star, Inc. (\$1,300,000); one 69 kV circuit breaker from Siemens Power Transmission and Distribution, Inc., (\$100,000); one 15 kV switchgear from AZZ/Central Electric Manufacturing Company, Inc., (\$800,000); two 15 kV capacitor bank from Controllix Corporation (\$200,000) , one 69 kV circuit

switcher from S&C Electric Company (\$120,000); two 69 kV relay control panels from Crown Technical Systems (\$200,000) ; and two automation panels from Crown Technical Systems (\$300,000).

Motion – Elliott. Second – Curtin.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

21. PHOTOVOLTAIC SOLAR PANEL ARRAY ON THE SEVENTH FLOOR PATIO OF THE RIVERSIDE CITY HALL (BID NO. 6310) – ADDITIONAL CHANGE ORDER

Following discussion, the Board of Public Utilities approved an additional change order in an amount not-to-exceed \$45,000 to the contract with Adams/Mallory Construction Company, Inc., Bid No. 6310, for additional work on the 19 KW photovoltaic solar panel array bringing the total change order authorization to \$142,638.

Motion – Barnhart. Second – Elliott.

Ayes: Anderson, Tavaglione, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Ken Sutter (absence due to vacation).

DIRECTOR'S REPORT

22. AQMD Rule 1309.1 – UPDATE

General Manager Dave Wright reported that the AQMD has scheduled a meeting in Riverside on April 6, 2007 and that they have postponed a public hearing regarding the rule to be heard in June or July 2007.

General Manager Dave Wright left the meeting at this time.

23. State and Federal Legislative Update

24. Monthly Update of Goals

25. Financial Statements - December 2006

26. Monthly Power Supply Report - January 2007

27. Monthly Benchmark Report Card - February 2007

28. Water Highlights - February 2007

29. Open and Closed Work Orders - February 2007

30. City Council Agenda - February 20, 2007, February 27, 2007, March 6, 2007, and March 13, 2007

31. Upcoming Meetings

32. Systematic Reporting on Conferences/Seminars

Board Members Bob Stockton and Mary Curtin reported on the APPA Legislative Rally in Washington, DC, that they attended on March 11-15, 2007 with staff. Both said it was a worthwhile experience. Board Member Stockton stated that the City of Riverside needs to do their own legislative trips to Sacramento and Washington DC without other organizations tagging along.

Board Member Curtin gave credit to Legislative Analyst Elizabeth Sanchez for the "specific points" cards that she generated to distribute to the legislative personnel – the cards were a BIG hit!

- ELECTION OF PUBLIC UTILITIES BOARD OFFICERS

Deputy City Attorney Susan Wilson briefed the Board on the standing rules of the Board of Public Utilities and Deputy Director Steve Badgett conducted the elections.

- b. Chair

Board Chair Jim Anderson nominated Vice Chair Joe Tavaglione to the position as Chair of the Board of Public Utilities. No others were nominated so the election of Chair was officially closed and the Board of Public Utilities approved the nomination of Joe Tavaglione to the position of Chair.

Motion – Anderson Second – Stockton.

Ayes: Anderson, Curtin, Barnhart, Stockton, Elliott, and Titus.

Noes: None

Abstain: Tavaglione.

Absent: Ken Sutter (absence due to vacation).

- c. Vice Chair

Former Chair Jim Anderson nominated Board Member Dave Barnhart to the position as Vice Chair of the Board of Public Utilities. No others were nominated so the election of Vice Chair was officially closed and the Board of Public Utilities approved the nomination of Dave Barnhart to the position of Vice Chair.

Motion – Anderson. Second – Curtin.

Ayes: Anderson, Tavaglione, Curtin, Stockton, Elliott, and Titus.

Noes: None

Abstain: Barnhart.

Absent: Ken Sutter (absence due to vacation).

- DISCUSS COMMITTEE ASSIGNMENTS FOR FUTURE BOARD OF PUBLIC UTILITIES COMMITTEES

Former Chair Jim Anderson distributed a Potential Committee Assignment list for 2007 to the Board Members for approval and all were in agreement of the new assignments.

- **PUBLIC UTILITIES BOARD COMMITTEE ASSIGNMENTS**

Newly appointed Chair Tavaglione appointed the following Board Members to the Property, Electric, Water, and Finance/Marketing Committees as listed below:

- a. Property Committee
James Anderson (Chair)
Bernie Titus
Robert Stockton
- b. Electric Committee
Dave Barnhart (Chair)
Robert Elliott
Bernie Titus
New Board Member
- c. Water Committee
Robert Stockton (Chair)
Mary Curtin
Ken Sutter
Jim Anderson
- d. Finance/Marketing Committee
Joe Tavaglione (Chair)
James Anderson
Dave Barnhart
Robert Stockton

UPCOMING MEETING

Newly appointed Chairman Joe Tavaglione adjourned the meeting at 10:30 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, April 6, 2007**, at **8:15** a.m. in the Public Utilities Boardroom located at 3901 Orange Street in Riverside, California.

By: _____
David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: April 4, 2007